

MINUTES OF MEETING OF THE BOARD OF PUBLIC WORKS OF JUNE 7TH, 1939.

The Board of Public Works met in the offices of the Board, Union Trust Building, Baltimore on Wednesday, June 7th, 1939.

Present:

Herbert R. O'Connor, Governor.  
J. Millard Tawes, Comptroller.  
Hooper S. Miles, Treasurer.

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A Delegation from Wicomico County headed by Mr. Ernest O. Wheatley, President of the Chamber of Commerce, Salisbury, Maryland, appeared before the Board and urged that some further consideration be given to the method to be employed in the dredging of the Wicomico River. It was reported to the Board that money to be available from the United States in connection with this work, approximately \$215,000, was contingent upon the State, or some other agency, providing the funds necessary to take care of the difference in cost between the hydraulic method and the bucket method of doing the dredging work. It was stated that the hydraulic method would cost approximately \$14,000 less than the bucket method, but that more damage would result in the public and private oyster bars through the use of the hydraulic method because of mud settling on the oyster beds.

Mr. Widemer, Engineer for the Conservation Commission, was present and stated that in his opinion the resulting damage from the use of the hydraulic method would be greater than if the bucket method were used, and that in his opinion the use of the bucket method would result in a saving of approximately 50% of the damage to the beds. It was stated that the appropriation in the budget passed by the General Assembly of 1937 gives consideration only to the damage to be done to the private beds and that in considering whether it would be advisable for the State to appropriate the difference in cost between the two methods it would be necessary to consider the loss to be saved on the public bars.

The Board requested Mr. Widemer to have the Conservation Department review the matter again, and if in its opinion the saving in damages to the public and private beds through the use of the bucket method was to be recommended, the Board was desirous of having the Conservation Department report to it accordingly. The Board stated its willingness to take care of the additional cost for the bucket method out of the appropriation for damages to private beds believing that the cost to the State including the damages to be paid and the additional expenses for the bucket method would be less than if the hydraulic method were used.

Note: The Governor received a letter from the Conservation Department recommending the use of the bucket method and after discussing the matter with the Secretary, who contacted the Comptroller and Treasurer, who approved the proposal to take care of the additional cost, authorized the use of the bucket method. The three members of the Board agreed to the proposition and the Governor stated he would convey the approval to the Conservation Department and to the Salisbury Chamber of Commerce delegation, which appeared before the Board through Mr. Ernest O. Wheatley, President.

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The Board took up the question of State offices to be housed in the new State Office Building at Annapolis. The Treasurer and the Secretary had gone into the matter since the last meeting of the Board, and submitted recommendations that the following departments be housed in the new building -

The Bureau of Mines, whose present lease expires October 1st, 1939, and is occupying 435 square feet at an annual rental of \$600.00.

The Conservation Department, whose present lease expires September 30, 1939, and is occupying 1,677 square feet at an annual rental of \$4,000.

The State Game Department, whose present lease expires September 30, 1939, and is occupying 904 square feet at an annual rental of \$1,887.00.

The State Department of Health, which had requested space for a branch laboratory and for branch offices, approximately 1,000 square feet, and also some space in the basement for clinic work.

The State Auditor, whose present lease expires April 30th, 1941, and is occupying 950 square feet at an annual rental of \$2,200.00.

The Budget Director, who had requested a room in the new building, so that it would be available to him from time to time in connection with his budget work, approximately 400 square feet.

The State Department of Forestry, whose lease for their present quarters has expired, and who are on a thirty days basis, 1,264 square feet, rental, \$2,052.00.

The Parole Commissioner, whose lease expires December 31, 1939, and is occupying 1,500 square feet at an annual rental of \$1,500.00.

State Board of Hair Dressers and Beauty Culturists, who would require approximately 1,000 square feet.

STATE BOARD OF AGRICULTURE and the Live Stock Sanitary Service of the Board, whose lease for the quarters they are occupying at the present time expired sometime ago, and who are on a thirty days basis, 2,529 square feet, annual rental \$4,612.00.

State Board of Funeral Directors, who will require approximately 1,000 square feet.

THE STATE Comptroller's and State Treasurer's Offices, which will be moved from the Court of Appeals Building and which will require the first and second floors of the building, with the exception of the space between the two wings on the second floor, in which space it will be possible to house some of the offices being transferred from Baltimore.

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*St. Dept. of Public Welfare*

The Board approved the proposal for the removal of the offices of the Board of State Aid and Charities from the Union Trust Building to the Wonder Building, so that it will be possible to consolidate the work of the old Board with the new State Department of Public Welfare.

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The Attorney General, Judge Wm. C. Walsh and his Chief Deputy, Mr. Wm. L. Henderson, appeared before the Board and discussed the question of the application of Income Taxes under the recent Act of the Congress of the United States, imposing the Federal Income Tax on income of employees of State, County and Municipal governments, and permitting the States to tax the salaries of employees of the Federal Government under their Income Tax Laws.

It was agreed that no formal action should be taken in the matter, but that the Act of Congress should be taken at its face value, and the State proceed to administer its law on the basis of taxing salaries of employees of the Federal Government, beginning January 1st, 1939, it being understood that the intention of the Federal Government is to not consider the Act of Congress as being retroactive, but to apply to incomes beginning with the calendar year 1939.

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Mr. Miles brought to the attention of the Board a charge on the books of the State Comptroller's Office against the Baltimore National Bank, representing taxes assessed by the State Tax Commission on preferred stock issued by the Bank and held by the Reconstruction Finance Corporation, an Agency of the Federal Government. The taxes on this stock amounted to \$2,816.00, the assessment being for the year 1934.

The State sued for the taxes and the case went to the Supreme Court of the United States, that Court holding that it was permissible for the State to tax the stock. Following the decision of the Supreme Court, the Congress passed an Act exempting such stock so held by the Reconstruction Finance Corporation from State taxes and declaring that the Act was retroactive in its application. In view of the many questions existing at this time as to the application of State taxes to Agencies of the Federal Government and the declaration of the Congress in this particular case that the exemption should be retroactive, it was agreed that the State should not take any action looking toward the collection of the tax on stock of National Banks owned by the Reconstruction Finance Corporation and that the charges being carried on the books of the State Comptroller's Office for taxes on such stock should be abated.

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On Motion duly seconded, the following resolution was unanimously adopted:

*General Bond  
Issue of 1939*

BE IT ORDERED, That in accordance with the Acts of 1939, Chapter 756, the Governor, Comptroller of the Treasury, and the Treasurer of the State be and they are hereby authorized and directed to advertise twice a week for two successive weeks in the Baltimore Sun and the Baltimore News, the first insertion to bear date of July 10th, 1939 and the last insertion to bear date of July 21st, 1939, that the Treasurer will receive in the office of the Treasurer at Annapolis, Maryland, at any time up to 12 o'clock, noon, on July 25th, 1939, bids for bonds of the State of Maryland in the aggregate sum of \$1,587,000.00, to be issued under the provisions of said Act; said bids to be contained in sealed envelopes appropriately endorsed, and each bid to be accompanied by a certified check upon some responsible banking institution, drawn to the order of the Treasurer of Maryland for five per centum of the par value of the amount bid for. All bids will be opened at 12 o'clock noon on the 25th day of July, 1939.

Said bonds shall be dated the 15th day of August, 1939. The bidders shall be required to indicate in their bids the rate of interest to be paid on the bonds, on which rate their bids are to be based and submitted. The rate named must be a multiple of one-fourth of one per centum, the interest to be payable semiannually on the fifteenth days of February and August, respectively during the continuance of said loan, and all bids shall be based on an offering to pay not less than par for the bonds. Said bonds shall be of the denomination of \$1,000 each, all shall be subject to registration as to principal, and all shall be issued with interest coupons attached and shall be deliverable on the 15th day of August, 1939. The said bonds shall be issued upon the Serial Annuity Plan as provided in said Act.

The right shall be reserved to accept one bid for all of said loan, or separate bids for parts of said loan, as may produce the highest amount; and the right shall also be reserved to accept bids which are for parts of said loan, but which may not be for all, and to reject all bids or any bids. If two or more responsible bidders shall make the same bid and each bid shall be the highest, and the certificates so bid for by such highest responsible bidders shall be in excess of the whole amount of certificates as offered for sale, then such certificates of indebtedness may be awarded in a ratable proportion to such responsible bidders bidding the same price.

The Governor, Comptroller and the Treasurer shall cause to be prepared bonds in good and sufficient form for the amount of said loan.

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The Secretary brought to the attention of the Board a letter from Doctor Albert S. Cook, State Superintendent of Education, quoting a resolution passed by the State Board of Education at a meeting on May 31st, 1939, in which the Board of Public Works was requested to approve the writing off as uncollectible of certain accounts at State Teacher's Colleges, as follows -

State Teachers College at Frostburg	}	\$ 75.50
State Teachers College at Salisbury		2,098.00
State Teachers College at Bowie		1,315.29

In view of the statement made by Doctor Cook in his letter of June 2nd, 1939 that every effort had been made to effect collection of these charges from students, it was agreed to authorize the writing off of the accounts as uncollectible. The Secretary of the Board was instructed to write Doctor Cook and request information as to whether certificates or diplomas to students in arrears for tuition, etc. were delivered to them at graduation, or whether they would be withheld pending payment of all arrearages as is the custom at the University of Maryland, College Park, it being the opinion of the Board that the certificates or diplomas should not be delivered to students who are in arrears.

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The Secretary brought to the attention of the Board a letter from the office of the Commissioner of Motor Vehicles dated May 15th, 1939 in which authority was requested for the writing off as uncollectible of three claims against Mr. Harry M. Williams, Clerk of the Police Court at Rockville, Maryland.

The request that these accounts be written off was recommended by Mr. Charles T. LeViness, 3rd., Assistant Attorney General.  
The request was approved.

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The Secretary brought to the attention of the Board a letter from the office of the Commissioner of Motor Vehicles, dated May 15th, 1939, in which authority was requested for the writing off of fines imposed against one William Lloyd in September 1936. A report submitted by a Detective Sergeant, Maryland State Police, indicating that it would be impossible to collect these fines was attached to the request of the Commissioner of Motor Vehicles.

The request that the fines be written off as uncollectible was approved.

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The Secretary brought to the attention of the Board a letter from the office of the Commissioner of Motor Vehicles, dated May 27th, 1939, in which authority was requested for the writing off as uncollectible of certain fines for violation of Motor Vehicle Laws in Baltimore County and Allegany County. A letter from Mr. Charles T. LeViness, 3rd., Assistant Attorney General and a report from G. E. Davidson, Detective Sergeant, Maryland State Police, indicating the fines were uncollectible, attached to the request of the Commissioner of Motor Vehicles.

The request that the fines be written off as uncollectible was approved.

*LeViness*

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The Secretary brought to the attention of the Board a communication from the Whitaker Paper Company in which representations were made for the continuance of rental of space in the Whitaker Building, Baltimore, by the Central Purchasing Bureau.

The Board stated that it felt it should support the views of the State Purchasing Agent in the matter of space for his Department and requested the Secretary to turn the matter over to Mr. Kirkman.

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The Secretary brought to the attention of the Board a budget amendment submitted by the Conservation Department for the fiscal year 1939. The Secretary was instructed to refer this amendment to Mr. Kirkman, Director of Budget and Procurement for his consideration.

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The Secretary brought to the attention of the Board a budget amendment for the fiscal year 1939, by the State Tobacco Warehouse, which calls for approval of the employment of Solicitors to secure for the State Tobacco Warehouse the business of storage of tobacco by growers in Southern Maryland. The Board authorized the employment of not more than two Solicitors at a monthly expense not to exceed \$150.00 per month per man for the present summer season.

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An amendment submitted by the University of Maryland making some changes in the budget of the State Department of Forestry, for the fiscal year 1939, transferring \$1,000 from the allotment for Forest Wardens and Helpers to the allotment for Motor Vehicle Supplies and Operators, was approved.

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A budget amendment, for the fiscal year 1939, by the State Teachers College at Bowie, covering miscellaneous transfers, showing increases amounting to \$443.00 and decreases in a corresponding amount, was approved.

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The Board confirmed approval previously given to Crownsville State Hospital to a contract to be made with Carlson & Carlson, together with Architects' fees and other items, aggregating \$9,704.90, covering additional construction work at the Institution, was approved.

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The Secretary brought to the attention of the Board a letter received from the Maryland Tuberculosis Sanatorium, in which the Board was requested to approve the selection of Mr. Riggin Buckler, Architect, for the preparation of plans for additions to be made to the Institution at Mount Wilson, and the expenditure of money incidental to the preliminary work involved.

The request was approved.

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The Secretary brought to the attention of the Board some correspondence addressed to it by Eastern Shore State Hospital, relative to the purchase of the equipment for which money is appropriated in the General Bond Issue of 1939, installment of August 15, 1939.

The Board approved the request that the Hospital proceed with the purchase of this equipment through the Central Purchasing Bureau, with the understanding that the vendors would wait until after August 15, 1939 for payment.

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The Secretary brought to the attention of the Board a letter dated May 24th, 1939, from the Adjutant General, relative to commitments made out of funds appropriated to the Military Department, in the General Bond Issue of 1939.

The Secretary was instructed to refer the correspondence to Mr. Kirkman, Director of Budget and Procurement.

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The Secretary brought to the attention of the Board a communication from Rosewood State Training School, asking for authority to prepare plans and specifications in connection with construction work provided for in the General Bond Issue of 1939.

The Secretary was instructed to refer the communication to Mr. Kirkman, Director of Budget and Procurement for his consideration and report to the Board.

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The Secretary brought to the attention of the Board a letter from the Maryland Training School for Boys, outlining its proposed expenditures for equipment and construction for which funds are provided in the General Bond Issue of 1939.

The Secretary was instructed to refer the communication to Mr. Kirkman, Director of Budget and Procurement for his consideration and report to the Board.

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The Secretary brought to the attention of the Board a communication from Lebenthal & Company, Investment Bankers, New York, relative to the default of the Town of Delmar in the payment of its funded debt obligations.

The Board felt it was not in position to take any action in this case. It was stated that the Bill introduced in the General Assembly of 1939 authorizing the Town of Delmar to go into bankruptcy, was passed and became law.

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The Secretary advised the Board that work in connection with Maryland's representation at the New York World's Fair was progressing according to statements covering financial requirements submitted to the Comptroller's Office and that Mr. King, who is Director for the Maryland Commission, had advised very recently that the work was nearing completion.

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The Secretary brought to the attention of the Board a communication from the Conservation Department, dated May 15th, 1939, in which authority was requested to sell the Power Boat "Two Brothers", owned by the Department, for the sum of \$100.00, which had been offered for it and to use this money in connection with equipping a new boat.

The request was approved.

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The Secretary brought to the attention of the Board the fact that it will be necessary to amend the budget for the Judiciary for the fiscal year 1939 in order to take care of payment of salary for Judge James P. Evans, newly appointed Judge under an Act of the General Assembly of 1939. It was pointed out that there would be some unexpended items in the appropriation for Associate Judges of the various Circuits and for Judges of the Supreme Bench of Baltimore City, which would be sufficient to take care of payment of salary to Judge Evans.

The Board agreed that it would be in order to so amend the budget.

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*Property*

The Secretary brought to the attention of the Board the fact that the Department of Mechanical Engineering went out of existence at the close of business May 31st, 1939, and suggested that some disposition be made of the records and equipment in the custody of the Board at that time.

The Governor stated that Mr. Kirkman had made some mention of this matter to him and that Mr. Kirkman was going to look after it.

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The Secretary brought to the attention of the Board a communication received from the United States Department of Agriculture, Farm Security Administration, in which the State was requested to confer with the Department relative to carrying out the purpose of an Act of the General Assembly of 1939, authorizing the Board of Public Works to request and negotiate for an agreement for a payment in lieu of taxes by the Farm Security Administration to the State of Maryland in behalf of the residents of the Town of Greenbelt.

The Secretary was instructed to refer the communication to the Attorney General and request that he take steps looking toward the negotiation of the proposed agreement.

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The Secretary brought to the attention of the Board a communication, dated June 2nd, 1939, from the State Department of Forestry, requesting approval for the acquisition of two tracts of land owned by the Elk Neck Rod and Gun Club, and necessary for the development of the Elk Neck State Park.

The procedure outlined by the State Forester looking toward the acquisition of this land was approved.

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The Secretary brought to the attention of the Board a communication addressed to it by Mr. Harry Singerman, Attorney, in which claim is made on behalf of Mr. Walter E. Quenstedt for expenses incurred by him during the period March 21st, 1937 to April 11, 1937 while he was Warden of the Maryland House of Correction for hospital treatment and medical services it was necessary for him to receive, the total expenses amounting to \$845.25. Mr. Singerman contended on behalf of Mr. Quenstedt that his employment as Warden at the House of Correction included the annual salary which he received and full maintenance, and inasmuch as it was not possible for the Physician at the House of Correction to give the medical and surgical and hospital services it was necessary for Mr. Quenstedt to have during the time mentioned it was incumbent upon the State to pay for the services secured outside the Institution. The Board declined to consider the claim.

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The Secretary brought to the attention of the Board a communication from Cheltenham School for Boys, requesting authority to purchase certain equipment for the Institution out of funds remaining unexpended in the account for the rebuilding of the School's Infirmary after destruction of the old Infirmary by fire in December 1937.

The Board approved the request, with the understanding that the equipment would be purchased through the State Purchasing Bureau in the usual manner.

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The Secretary brought to the attention of the Board a communication addressed to the Governor under date of April 27th, 1939, by Springfield State Hospital, relative to the needs of the Hospital to open the new building for tuberculous patients, in accordance with brief prepared by Doctor Preston.

The Secretary was instructed to refer the communication to Mr. Kirkman, Director of Budget and Procurement, for his consideration and report to the Board.

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The Secretary brought to the attention of the Board a communication received from the State Teachers College at Salisbury, relative to the proposed disbursement of the additional amount of \$5,000.00 allotted to the College in the Supplemental Budget for the fiscal year 1940.

The Secretary was requested to refer the communication to Mr. Kirkman, Director of Budget and Procurement, for his consideration and report.

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The Secretary brought to the attention of the Board a request from Mr. Ignatius Bjorlee, Superintendent, Maryland State School for the Deaf, that he be authorized to take care of certain improvements at the School during the summer months, for which funds are provided in the General Bond Issue of 1939, installment of August 15, 1939. Mr. Bjorlee reported that he received various prices on the work and requested that he be allowed to give the work to the lowest bidders, the total cost involving \$4,436.00.

The request was approved.

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There being no further business, the meeting adjourned.

  
Secretary.